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9
10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **WESTERN DIVISION**

12 CENTER FOR BIOLOGICAL
13 DIVERSITY; WISHTOYO
14 FOUNDATION,

15 *Plaintiffs,*

16 v.

17 DEBRA HAALAND, Secretary of
the U.S. Department of the Interior;
18 BUREAU OF SAFETY
AND ENVIRONMENTAL
19 ENFORCEMENT; BRUCE
HESSON, Pacific Regional
20 Director, Bureau of Safety and
Environmental Enforcement,
21

22 *Defendants.*
23
24

Case No. 2:24-cv-05459

**COMPLAINT FOR
DECLARATORY
AND OTHER RELIEF**

**(National Environmental Policy
Act, 42 U.S.C. §§ 4321–4347;
Outer Continental Shelf Lands
Act, 43 U.S.C. §§ 1331–1356c,
1801–1866; Administrative
Procedure Act, 5 U.S.C. §§ 551–
559, 701–706)**

INTRODUCTION

1
2 1. For nearly a decade, the federal government has extended the terms of
3 ExxonMobil Corporations's oil and gas leases in federal waters off California's
4 coast without conducting the meaningful reviews required by law. Specifically,
5 Defendants Secretary of the U.S. Department of the Interior, the Bureau of Safety
6 and Environmental Enforcement, and the Bureau's Pacific Regional Supervisor
7 (collectively, BSEE) failed to comply with the Outer Continental Shelf Lands Act
8 (OCSLA), 43 U.S.C. §§ 1331–1356c, 1801–1866, the National Environmental
9 Policy Act (NEPA), 42 U.S.C. §§ 4321–4347, and the Administrative Procedure
10 Act (APA), 5 U.S.C. §§ 551–559, 701–706, in authorizing extensions of
11 ExxonMobil's offshore oil and gas leases on the Pacific Outer Continental Shelf.

12 2. In May 2015, ExxonMobil shut down its oil and gas operations in the
13 Santa Barbara Channel (in what is known as the Santa Ynez Unit) after a corroded
14 onshore pipeline ruptured and spilled what is now believed to be more than
15 460,000 gallons of oil. The Plains All American Pipeline carried oil that
16 ExxonMobil produced at its three platforms in the Santa Ynez Unit. The spill
17 killed hundreds of birds and marine mammals, including dolphins and sea lions.

18 3. Every year since, while operations remain shut down, BSEE has
19 authorized extensions of the 16 offshore oil and gas leases in the Santa Ynez Unit.
20 BSEE approved the latest extension on November 14, 2023.

21 4. Without these extensions, each of the leases would have expired and
22 ExxonMobil would have been required to permanently cease its oil and gas
23 operations, plug its wells, and decommission its other infrastructure.
24

1 5. Extending the leases for the Santa Ynez Unit prolongs the existence of
2 aging oil and gas infrastructure, increasing the risks of oil spills and other
3 accidents. Extending the leases for the Santa Ynez Unit also prolongs drilling off
4 California and all the harms that come along with it.

5 6. As relevant here, to approve the lease extensions, BSEE had to first
6 determine that granting the extensions “is in the National interest.” 30 C.F.R.
7 § 250.180(e). BSEE also had to comply with NEPA. 42 U.S.C. § 4322(C). BSEE
8 did not properly comply with either requirement.

9 7. First, BSEE’s national interest determination failed to consider several
10 highly relevant factors. For example, the agency ignored evidence demonstrating
11 that extending ExxonMobil’s leases is antithetical to the national interest in
12 addressing the climate crisis, promoting public health and environmental justice,
13 recovering endangered species, and otherwise protecting the environment given the
14 numerous harms inherent in offshore oil and gas drilling.

15 8. Second, BSEE failed to conduct any environmental review under
16 NEPA of the environmental impacts of extending ExxonMobil’s leases. Instead,
17 BSEE deemed the lease extensions categorically excluded from NEPA and
18 determined that no extraordinary circumstances exist that would make application
19 of the categorical exclusion inappropriate. In doing so, BSEE ignored the
20 numerous harms that prolonging oil and gas activity off California perpetuates,
21 including increased risk of oil spills and other accidents from decades-old
22 infrastructure.

23 9. Accordingly, Plaintiffs Center for Biological Diversity and Wishtoyo
24 Foundation request an order from the Court declaring that BSEE’s November 2023

1 approval of the lease extensions violates OCSLA, NEPA, and the APA; vacating
2 the November 2023 lease extensions; and prohibiting BSEE from issuing any
3 future lease extensions for the Santa Ynez Unit unless and until BSEE complies
4 with the law.

5 JURISDICTION AND VENUE

6 10. The Court has jurisdiction over this matter under 28 U.S.C. § 1331
7 because this action arises pursuant to the laws of the United States. An actual,
8 justiciable controversy now exists between Plaintiffs and Defendants, and the
9 requested relief is proper under 28 U.S.C. §§ 2201–2202 and 5 U.S.C. § 706.

10 11. Venue is proper in this Court under 28 U.S.C. § 1391(e) because some
11 of the Defendants reside in this District and a substantial part of the events or
12 omissions giving rise to Plaintiffs' claims occurred in this District.

13 12. Assignment to the Western Division of this Court is proper under
14 General Order No. 24-04, Section I.B.1.a(1)(b).

15 PARTIES

16 Plaintiffs

17 13. Plaintiff Center for Biological Diversity (the Center) is a national,
18 non-profit conservation organization that advocates for the protection of threatened
19 and endangered species and their habitats through science, law, and policy. The
20 Center's mission also includes protecting air quality, water quality, and public
21 health. The Center has over 79,000 members worldwide, including thousands in
22 California. The Center brings this action on behalf of its members.

23 14. The Center's Oceans Program focuses specifically on conserving
24 marine ecosystems and seeks to ensure that imperiled species such as marine

1 mammals, sea turtles, and fish are properly protected from destructive practices in
2 our oceans. The Oceans Program also works to protect coastal communities from
3 the air pollution, water pollution, and other impacts that result from such practices.
4 In pursuit of this mission, the Center has been actively involved in protecting the
5 California coastal environment from offshore oil and gas drilling activity.

6 15. The Center's members regularly visit California beaches and waters—
7 including the Gaviota coast; the Santa Barbara Channel and its islands; and the
8 waters near offshore platforms in the Santa Ynez Unit—for vocational and
9 recreational activities such as swimming, surfing, kayaking, hiking, fishing, diving,
10 camping, viewing and studying wildlife, and photography. The Center's members
11 derive recreational, spiritual, professional, scientific, educational, and aesthetic
12 benefits from their activities in these areas. The Center's members intend to
13 continue to use and enjoy these areas frequently and on an ongoing basis in the
14 future.

15 16. Plaintiff Wishtoyo Foundation (Wishtoyo) is a Native-led California
16 nonprofit public-interest organization with over 700 members primarily composed
17 of Chumash Native Americans and residents of Santa Barbara, Ventura, and Los
18 Angeles counties. Wishtoyo's mission is to preserve, protect, and restore Chumash
19 culture, the culture of indigenous peoples, and the environment all peoples depend
20 upon. The organization uses education, outreach, cultural programs, scientific
21 study, restoration projects, advocacy, and legal action to attain this mission.
22 Chumash tribes, bands, and clans have a long history of interaction with the marine
23 waters of the Pacific Ocean and the Santa Barbara Channel, from Morro Bay to
24 Malibu and out to and around the Channel Islands. Chumash peoples rely upon

1 these lands and waters and their natural cultural resources to support and maintain
2 Chumash traditional practices, ways of life, and ancestral connections. Wishtoyo's
3 members use these lands and waters for ceremonial purposes; to connect with and
4 celebrate their ancestors and cultural heritage; to gather natural cultural resources;
5 and for educational purposes, recreational use, wildlife viewing, scientific study,
6 and environmental monitoring. Wishtoyo's members intend to continue these uses
7 as permitted.

8 17. Since time immemorial, marine, and terrestrial species have played an
9 important role in the culture and lifeways of Chumash maritime tribes, bands, and
10 clans. Wishtoyo's Chumash members continue to have a strong cultural and
11 spiritual interest in the protection of species. Wishtoyo's Chumash members
12 navigate on tomols (Chumash plank canoes) and by other means through the Santa
13 Barbara Channel, where encountering marine species is essential to their
14 connection with their ancestors and provides them with a spiritual echo through
15 time and connection to the planet as they traverse between the Channel Islands (the
16 origin of the Chumash Peoples) and the mainland. The existence and abundance of
17 species and habitat are also critical to the maintenance of Wishtoyo's Chumash
18 members' cultural practices, lifeways, and ceremony.

19 18. Offshore oil and gas drilling activities degrade these habitats and
20 threaten wildlife and the coastal environment. It also threatens Wishtoyo's
21 Chumash members' ability to continue their traditional, educational, recreational,
22 and environmental practices, ways of life, and ancestral connections. For example,
23 offshore oil and gas activities cause oil spills. Oil spills have a wide array of lethal
24 and sublethal impacts on marine species, both immediate and long term. Official

1 reports document that the 2015 Plains All American Pipeline spill killed at least
2 558 birds and 232 mammals, including 19 dolphins (which many Chumash people
3 consider relatives and ancestors) and 94 sea lions. The spill impacted a wide
4 variety of nearshore fish species, including surfperch and grunion, which were
5 spawning when the spill occurred. The actual number of birds killed is likely to be
6 four times the number of birds recovered. The spill also impacted a variety of
7 coastal habitats including kelp wrack, feather boa kelp, surfgrass, and eelgrass.
8 Additionally, the spill prevented Chumash people from participating in the annual
9 tomol voyage across the Santa Barbara Channel to Limu, Chumash homeland in
10 the Santa Barbara Channel Islands, and the tomol village visits up and down the
11 coast. And an October 2021 oil spill from a pipeline connected to Platform Elly off
12 Huntington Beach killed or injured at least 124 birds and mammals.

13 19. The risk of oil spills exists from both active and inactive oil and gas
14 wells and other infrastructure. Inactive infrastructure can become badly damaged
15 in storms, as evidenced by the oil spill from an abandoned Taylor Energy platform
16 in the Gulf of Mexico following Hurricane Katrina that leaked oil for 15 years.

17 20. Offshore drilling activities also increase air pollution that is harmful to
18 public health and discharge wastewater that contaminates the ocean with pollutants
19 that are toxic to marine species. It also requires the shipment of equipment to oil
20 platforms, thereby increasing port and ship traffic, which in turn increase ocean
21 noise and the risk of vessel strikes of whales and other animals.

22 21. Extending the leases for the Santa Ynez Unit prolongs the existence of
23 the three aging drilling platforms in the Unit (Platforms Harmony, Heritage, and
24 Hondo) and their associated wells and other infrastructure, increasing the risks of

1 oil spills. Extending the leases for the Santa Ynez Unit extends oil and gas activity
2 off California, and all the harmful environmental impacts such activity causes.

3 22. Extending the leases for the Santa Ynez Unit degrades Plaintiffs'
4 members' recreational, spiritual, scientific, cultural, and aesthetic enjoyment of the
5 Santa Barbara coast and waters. It harms water quality and wildlife that they study
6 and observe, decreasing their spiritual and cultural experiences and their ability to
7 view species that are impacted by offshore drilling activities or abandon the area
8 because of these activities.

9 23. For example, one Center member who lives in Santa Barbara
10 regularly recreates in the area, including in coastal areas and waters near offshore
11 oil platforms. He regularly surfs in places like Rincon and Sands Beach near Santa
12 Barbara, Naples on the Gaviota Coast, Jalama Beach near Point Conception, and
13 Oxnard Shores and Silver Strand in Ventura. He goes as often as possible,
14 generally twice a week. He also hikes, sails, and scuba dives on and around the
15 Channel Islands. While on these trips he enjoys looking for and observing wildlife
16 in the area, including fur seals, blue whales, humpback whales, black abalone, and
17 other animals. He derives aesthetic, emotional, and physical benefits from these
18 activities that are essential to his well-being. Noise pollution, water pollution,
19 vessel strikes, oil spills, and other impacts from oil and gas drilling disturb and
20 harm the animals he enjoys and is interested in seeing and make it less likely he
21 can see these animals in the future. Oil spills that close beaches or ocean waters
22 impede his ability to enjoy recreational activities.

23 24. The above-described aesthetic, recreational, professional, spiritual,
24 and other interests have been, are being, and will continue to be adversely affected

1 and irreparably injured by BSEE's failure to comply with OCSLA and NEPA.
2 BSEE's authorization of extensions of offshore oil and gas leases for the Santa
3 Ynez Unit without proper review of the related impacts on the environment means
4 that BSEE is failing to adequately protect California's ocean and coastal
5 environment, including already imperiled wildlife, and is exposing these resources
6 to increased risk of harm.

7 25. In addition, Plaintiffs' members are suffering procedural and
8 informational injuries resulting from BSEE's failure to conduct environmental
9 review on the effects of extending the oil and gas leases for the Santa Ynez Unit.

10 26. Plaintiffs' members have no adequate remedy at law and the requested
11 relief is proper. Relief in this case would ensure BSEE prepares a proper national
12 interest determination under OCSLA and an environmental assessment or
13 environmental impact statement under NEPA to analyze the impacts of extending
14 offshore oil and gas leases. The requested relief could result in additional
15 information, process, mitigation, and oversight of offshore drilling that would
16 better protect the ocean and imperiled wildlife and alleviate the injuries of
17 Plaintiffs' members. An order declaring BSEE's actions unlawful, vacating
18 BSEE's authorization of the lease extensions for the Santa Ynez Unit, and
19 prohibiting future extensions unless and until BSEE complies with OCSLA and
20 NEPA would redress the injuries of Plaintiffs' members.

21 **Defendants**

22 27. Defendant Debra Haaland is the Secretary of the U.S. Department of
23 the Interior and is sued in her official capacity. The Department of the Interior is
24 responsible for managing and overseeing the development of oil and gas resources

1 on the outer continental shelf. Secretary Haaland is the official ultimately
2 responsible under federal law for ensuring that the actions and management
3 decisions of the Department of the Interior and its bureaus comply with all
4 applicable laws and regulations, including OCSLA, NEPA, and the APA.

5 28. Defendant Bureau of Safety and Environmental Enforcement is a
6 federal agency within the Department of the Interior. The Bureau of Safety and
7 Environmental Enforcement is charged with permitting drilling in federal waters
8 and ensuring such activities comply with safety and environmental regulations.

9 29. Bruce Hesson is the Regional Director of the Pacific Region of the
10 Bureau of Safety and Environmental Enforcement and is sued in his official
11 capacity. Mr. Hesson has responsibility for implementing and fulfilling the
12 Bureau's duties under OCSLA and NEPA.

13 **STATUTORY BACKGROUND**

14 **Outer Continental Shelf Lands Act**

15 30. OCSLA establishes a framework under which the Secretary of the
16 Interior may lease areas of the outer continental shelf for purposes of exploring and
17 developing the oil and gas deposits of the outer continental shelf submerged lands.
18 43 U.S.C. §§ 1331–1356c, 1801–1866. The outer continental shelf generally
19 begins three miles from shore—the outer boundary of most state waters—and
20 extends seaward to the limits of federal jurisdiction. *Id.* § 1331(a).

21 31. OCSLA specifically requires that oil production be “subject to
22 environmental safeguards” and balanced “with protection of the human, marine,
23 and coastal environments.” *Id.* §§ 1332(3), 1802(2).
24

32. There are four separate stages to developing an offshore oil well: “(1) formulation of a 5-year leasing plan ...; (2) lease sales; (3) exploration by the lessees; [and] (4) development and production.” *Sec’y of the Interior v. California*, 464 U.S. 312, 337 (1984). Each of these “stage[s] involves separate regulatory review that may, but need not, conclude in the transfer to lease purchasers of rights to conduct additional activities on the [outer continental shelf].” *Id.*

33. At the second stage, the Secretary holds lease sales and can grant offshore oil and gas leases. 43 U.S.C. § 1337(a)(1). An oil and gas lease “entitle[s] the lessee to explore, develop, and produce the oil and gas contained within the lease area,” subject to certain approvals. *Id.* § 1337(b)(4).

34. Generally, leases are for an initial period of five years, *id.* § 1337(b)(2)(A), “and as long after such initial period as oil or gas is produced from the area in paying quantities,” *id.* § 1337(b)(2).

35. OCSLA authorizes the Secretary to “prescribe such rules and regulations as may be necessary” to manage oil and gas activities, including for the protection of natural resources. *Id.* § 1334(a). OCSLA specifies that such “regulations shall, as of their effective date, apply to all operations conducted under a lease.” *Id.*

36. OCSLA also specifies that the Secretary’s regulations regarding offshore oil and gas leasing must provide for “the suspension or temporary prohibition of any operation or activity, including production” in certain circumstances, including “if there is a threat of serious, irreparable, or immediate harm or damage to life (including fish and other aquatic life) ... or to the marine, coastal, or human environment.” *Id.* § 1334(a)(1).

1 37. The Secretary has delegated its responsibilities under OCSLA to two
2 bureaus within the Department of the Interior. The Bureau of Ocean Energy
3 Management is responsible for managing leasing, exploration, development, and
4 production of oil and gas resources on the outer continental shelf. 30 C.F.R.
5 § 550.101. The Bureau of Safety and Environmental Enforcement is responsible
6 for enacting and enforcing safety and environmental standards under OCSLA, as
7 well as issuing drilling permits. *Id.* § 250.101. The Bureau of Safety and
8 Environmental Enforcement is also responsible for approving lease extensions. *Id.*
9 § 250.180(e).

10 38. Under the regulations and as relevant here, a lease will expire at the
11 end of the initial five years unless production is occurring in paying quantities. *Id.*
12 § 250.180(a)(2). If production ceases on a lease that has continued beyond its
13 primary term, the lease will expire unless production resumes or BSEE approves a
14 suspension of operations or suspension of production within a year after production
15 ceases. *Id.* § 250.180(d).

16 39. BSEE can also allow an operator more than a year to resume
17 operations, but only when BSEE determines that “the longer period is in the
18 National interest, and it conserves resources, prevents waste, or protects correlative
19 rights.” *Id.* § 250.180(e).

20 40. A suspension or request for additional time to resume operations
21 “extend[s] the term of a lease ... equal to the length of time the suspension is in
22 effect.” *Id.* § 250.169(a). Accordingly, such actions “represent a significant
23 decision to extend the life of oil ... production off of California’s coast, with all of
24

1 the far reaching effects and perils that go along with offshore oil production.”
 2 *California v. Norton*, 311 F.3d 1162, 1173 (9th Cir. 2002).

3 41. Once a lease expires, BSEE regulations require an oil and gas
 4 company to “permanently plug all wells ... within 1 year after the lease
 5 terminates.” 30 C.F.R. § 250.1710. An oil and gas company must also “remove all
 6 platforms and other facilities within 1 year after the lease” expires unless the
 7 company “receive[s] approval to maintain the structure to conduct other activities.”
 8 *Id.* § 250.1725(a).

9 **National Environmental Policy Act**

10 42. NEPA is our nation’s charter for environmental protection. NEPA
 11 seeks to (1) “prevent or eliminate damage to the environment and biosphere,” (2)
 12 “stimulate the health and welfare” of all people, and (3) “encourage productive and
 13 enjoyable harmony between [hu]man[kind] and [the] environment.” 42 U.S.C.
 14 § 4321.

15 43. NEPA requires federal agencies to take a “hard look” at the
 16 environmental consequences of their actions before acting. *Robertson v. Methow*
 17 *Valley Citizens Council*, 490 U.S. 332, 350 (1989) (citation omitted). In this way,
 18 NEPA ensures that federal agencies “will have available, and will carefully
 19 consider, detailed information concerning significant environmental impacts” and
 20 that such information “will be made available to the larger [public] audience that
 21 may also play a role in both the decisionmaking process and the implementation of
 22 th[e] decision.” *Id.* at 349.

23 44. To this end, NEPA requires federal agencies to prepare a detailed
 24 environmental impact statement (EIS) for any “major Federal action[] significantly

1 affecting the quality of the human environment.” 42 U.S.C. § 4332(2)(C). A
2 “major federal action” is defined as “an action that the agency carrying out such
3 action determines is subject to substantial Federal control and responsibility.” *Id.*
4 § 4336e(10)(A).

5 45. An EIS must describe the “reasonably foreseeable environmental
6 effects of the proposed agency action.” *Id.* § 4332(2)(C)(i). An EIS must also
7 examine “a reasonable range of alternatives to the proposed agency action,”
8 including the alternative of not taking the underlying proposed action. *Id.*
9 § 4332(C)(iii).

10 46. To determine whether the impacts of a proposed action are significant
11 enough to warrant preparation of an EIS, the agency may prepare a preliminary
12 environmental inquiry known as an environmental assessment. *See* 40 C.F.R.
13 § 1501.5 (2023).¹ An agency must include in its environmental assessment
14 “sufficient evidence and analysis for determining whether to prepare” an EIS, and
15 must determine if an EIS is necessary or, if not, issue a “finding of no significant
16 impact.” *Id.* § 1501.5(c)(1). The environmental assessment must evaluate
17 alternatives to the proposed action and “the environmental impacts of the proposed
18 action and alternatives.” *Id.* § 1501.5(c)(2). An agency must prepare an EIS if
19 substantial questions are raised whether a project *may* have a significant effect
20 upon the environment.

21 ¹ The Council on Environmental Quality issues regulations implementing NEPA
22 that are “binding on all Federal agencies.” 40 C.F.R. § 1500.3(a). Those
23 regulations have undergone various amendments in recent years. *See, e.g.*, 85 Fed.
24 Reg. 43,304 (July 16, 2020); 89 Fed. Reg. 35,442 (May 1, 2024). For purposes of
this Complaint, Plaintiffs cite the NEPA regulations as they existed at the time
BSEE approved its most recent lease extension.

1 47. The only circumstances in which an agency need not prepare an EIS
2 or environmental assessment for a major federal action is when the action is
3 “categorically excluded” from NEPA review. *Id.* § 1501.4. Categorical exclusions
4 are intended for small, insignificant, and routine actions and can only be invoked
5 for actions “that normally do not have a significant effect on the human
6 environment.” *Id.* § 1501.4(a).

7 48. The Department of the Interior has a categorical exclusion for the
8 issuance of lease extensions. U.S. Dep’t of the Interior, *Departmental Manual*, 516
9 DM § 15.4(C)(7) (effective May 27, 2004).

10 49. In determining whether to rely on an existing categorical exclusion, an
11 agency must analyze whether “extraordinary circumstances” exist that preclude the
12 use of the categorical exclusion and require the preparation of an EIS or
13 environmental assessment. 40 C.F.R. § 1507.3(e)(2)(ii); *see also* 43 C.F.R.
14 § 46.205(c).

15 50. The Department of the Interior’s NEPA regulations state that
16 “[e]xtraordinary circumstances ... exist for individual actions within categorical
17 exclusions that may meet any of the criteria listed” in the regulations that, if
18 present, preclude categorically excluding a proposed action from NEPA analysis.
19 43 C.F.R. § 46.215. Those criteria include whether a proposed action may “[h]ave
20 significant impacts on public health or safety[;] ... natural resources and unique
21 geographic characteristics as historic or cultural resources; park, recreation or
22 refuge lands; ... migratory birds;” and species protected under the Endangered
23 Species Act. *Id.* The criteria also include whether a proposed action has “highly
24 controversial environmental effects[;] ... a direct relationship to other actions with

1 individually insignificant but cumulatively significant environmental effects[;] ...
2 a disproportionately high and adverse effect on low income or minority
3 populations;” or if it “[l]imit[s] access to and ceremonial use of Indian sacred sites
4 on Federal lands by Indian religious practitioners or significantly adversely affect
5 the physical integrity of such sacred sites.” *Id.*

6 51. According to BSEE, if a proposed action triggers a “yes” answer to
7 any of the criteria, then it must prepare an EIS or environmental assessment prior
8 to implementation of the proposed action.

9 **Administrative Procedure Act**

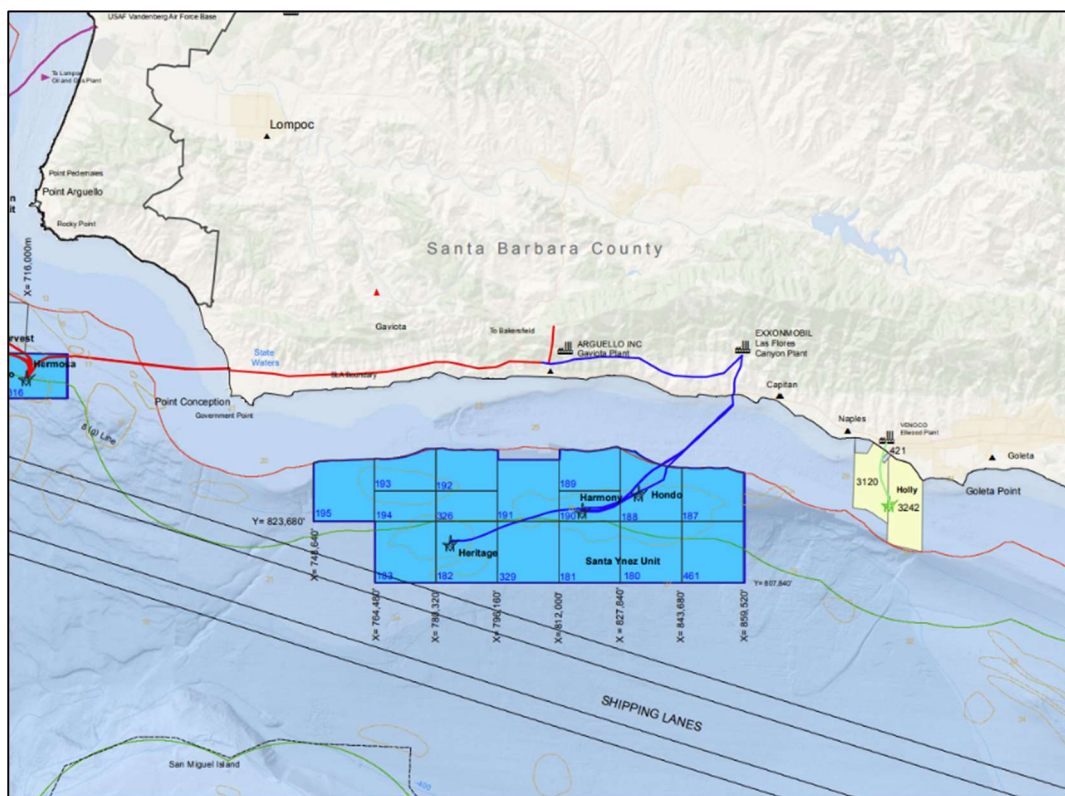
10 52. The APA governs judicial review of federal agency actions. 5 U.S.C.
11 §§ 701–706. Under the APA, courts “shall ... hold unlawful and set aside agency
12 action, findings, and conclusions found to be arbitrary, capricious, an abuse of
13 discretion, or otherwise not in accordance with law” or made “without observance
14 of procedure required by law.” *Id.* § 706(2)(A), (D).

15 **FACTUAL BACKGROUND**

16 **Oil and Gas Leasing in the Santa Ynez Unit off California**

17 53. There are currently 30 active oil and gas leases and 23 platforms on
18 the Pacific Outer Continental Shelf from which drilling and extraction activities
19 occur or have occurred. Twenty-two of these platforms are production platforms,
20 while one is a processing platform. Eight platforms are located on expired leases.

54. Most of the active oil and gas leases are organized into units. The Santa Ynez Unit is in the Santa Barbara Channel. The Unit consists of 16 leases: OCS-P 0180, 0181, 0182, 0183, 0187, 0188, 0189, 0190, 0191, 0192, 0193, 0194, 0195, 0326, 0329, and 0461. The federal government issued the leases between 1968 and 1982. The leases all had an initial term of five years.



The Santa Ynez Unit. Map: Bureau of Ocean Energy Management

55. Oil and gas production has occurred under these leases from Platform Harmony, Platform Heritage, and Platform Hondo. Platform Harmony was installed in June 1989 and first production began in December 1993. Platform Heritage was installed in October 1989 and first production began in December 1993. Platform Hondo was installed in June 1976 and first production began in April 1981.



Platform Hondo. Photo: Bureau of Ocean Energy Management

56. Until just recently, ExxonMobil owned and operated all three platforms. ExxonMobil's development plan for the Santa Ynez Unit stated that recovery of the oil and gas reserves in the Unit "will take place over a period of approximately 25 to 35 years." As first production from the Unit began in 1981, production should have ceased by 2016.

1 57. Sable Offshore Corporation, LLC is now the listed owner and
2 operator of Platforms Harmony, Heritage, and Hondo and lessee on all 16 oil and
3 gas leases in the Santa Ynez Unit.

4 58. This change of ownership follows a May 20, 2015, oil spill from the
5 Plains All American Pipeline, which ruptured and spilled what is now believed to
6 be up to 460,000 gallons of oil on the Santa Barbara Coast. The oil spill closed
7 beaches and killed wildlife.



18 *Oil spilled onto Refugio Beach. Photo: U.S. Coast Guard*

19
20 59. The pipeline transported oil from seven offshore oil and gas platforms
21 to refineries. The broken pipeline shut down production at all seven of those
22 offshore platforms. Operators of four of the seven platforms announced plans to
23 decommission the platforms. ExxonMobil did not.

1 60. Instead, in 2015, ExxonMobil requested an additional year to resume
2 operations, and BSEE approved that request. Year after year since then, BSEE has
3 extended the Santa Ynez Unit leases. Most recently, on November 14, 2023, BSEE
4 approved a lease extension through December 13, 2024.

5 61. Nearly a decade has passed since Platforms Harmony, Heritage, and
6 Hondo shut down, and the leases have not produced oil since then. Absent BSEE's
7 extensions, all 16 leases would have all expired. Upon expiration of the leases, all
8 the wells would need to be permanently plugged and other infrastructure removed
9 within one year.

10 **The Risks of Prolonged Oil and Gas Activity at the Santa Ynez Unit**

11 62. Extending the Santa Ynez Unit leases prolongs reliance on aging
12 infrastructure and offshore oil and gas production. Both create additional harmful
13 environmental effects.

14 63. For example, the lease extensions increase the risk of oil spills. That
15 risk exists from both the inactive wells during the suspension period and from
16 production activities when they resume. Oil spills can lead to closures of beaches
17 and commercial and recreational fisheries. Oil spills also harm wildlife in
18 numerous ways. Oil can coat animals' fur, feathers, or skin—impairing their
19 insulation, water repellency, or breathing. For example, oil spills are deadly to sea
20 otters whose oiled furry coats cause hypothermia. Animals can also ingest and
21 inhale oil, causing poisoning and death, organ damage, or respiratory problems.
22 Moreover, oil can contaminate the water column and the seafloor where prey
23 species live, causing indirect effects on wildlife by reducing their key food sources.

24 64. Exposure to crude oil also adversely affects fish at all stages. Early-

1 life stages of fish are particularly sensitive to the effects of toxic oil components
2 such as polycyclic aromatic hydrocarbons, which can cause larval deformation and
3 death. Adult fish exposed to oil can suffer from reduced growth, enlarged liver,
4 changes in heart and respiration rates, fin erosion, and reproductive impairment.
5 Additionally, fish and sharks are at risk from lethal coating of their gills with oil
6 and declines in and contamination of their food sources. Exposure to crude oil has
7 also been linked to long-term population effects in fish. A study based on 25 years
8 of research demonstrated that embryonic salmon and herring exposed to very low
9 levels of crude oil can develop heart defects that impede their later survival.

10 65. Threatened and endangered species such as western snowy plovers,
11 California least tern, blue and humpback whales, leatherback sea turtles, and the
12 tidewater goby are susceptible to exposure to oil from the Santa Ynez Unit.

13 66. Offshore oil and gas infrastructure is typically designed for a 20- to
14 30-year life. Prior to the 2015 oil spill, drilling had been occurring at the Santa
15 Ynez Unit since 1981, and the last platforms were installed in 1989. The oil and
16 gas infrastructure in the Santa Ynez Unit is beyond its intended lifespan.

17 67. The age of the oil and gas infrastructure in the Santa Ynez Unit
18 increases the risk of oil spills and other accidents. For example, the Plains All
19 American Pipeline that ruptured in 2015 was built in 1987. The environmental
20 analysis that the Bureau of Land Management and California State Lands
21 Commission prepared in 1985 for the construction and operation of the pipeline
22 acknowledged that spills happen and determined that the risk of a spill would more
23 than double as the pipeline aged from 20 to 40 years.

24 68. According to scientists, aging poses risks of corrosion, erosion, and

1 fatigue stress to subsea pipelines. These impacts accelerate over time and can act
2 synergistically to increase the rate of crack propagation. Marine environments are
3 especially known to produce significant corrosion on steel surfaces, and when a
4 steel structure is at or beyond its elastic limit, the rate of corrosion increases 10 to
5 15 percent. One offshore pipeline study found that after 20 years, the annual
6 probability of pipeline failure increases rapidly, equating to a probability of failure
7 of 10 percent to 100 percent per year. Another study covering 1996 to 2010 found
8 that accident incident rates, including spills, increased significantly with the age of
9 infrastructure.

10 69. Older wells can also lead to oil spills or other accidents. For example,
11 one study found that 30 percent of offshore oil wells in the Gulf of Mexico
12 experienced well casing damage in the first five years after drilling, and damage
13 increased over time to 50 percent after 20 years. Another study determined about
14 five percent of oil and gas wells leak immediately, 50 percent leak after 15 years,
15 and 60 percent leak after 30 years.

16 70. Federal records show that the Santa Ynez Unit already has
17 experienced problems. Before it shut down, federal inspectors on May 1, 2015,
18 found “numerous corrosion issues” and components out of compliance on Platform
19 Hondo. Just three weeks before that, they also found corrosion, five failed gas
20 detectors, and “leakage rates higher than the maximum allowable” on that
21 platform’s Well H-12U. Platforms Harmony, Heritage, and Hondo had early-2015
22 gas leaks that required their crews to gather for safety reasons, including an
23 incident on Platform Heritage the morning of May 19, 2015. Platform Hondo also
24 had a gas leak on April 27, 2015, and Platform Harmony had one on March 29,

1 2015. A federal inspection of Platform Harmony on Aug. 27, 2015, found
2 corrosion and electrical issues throughout the platform.

3 71. Oil and gas activity off California has also entailed the use of well
4 stimulation treatments such as hydraulic fracturing (“fracking”) and acidizing.
5 These practices cause significantly worse impacts to the environment and public
6 health than conventional offshore oil and gas production. The harmful impacts
7 from well stimulation treatments include the discharge of toxic wastewater; the
8 emission of hazardous air pollutants; and increased risk of earthquakes and oil
9 spills, among other harms. ExxonMobil has previously stated it will likely need to
10 use well stimulation treatments to restart its platforms in the Santa Ynez Unit.

11 72. Oil and gas drilling activity also releases harmful air pollutants like
12 fine particulate matter and volatile organic compounds (VOCs). VOCs emitted
13 during drilling activity can include the “BTEX compounds”—benzene, toluene,
14 ethyl benzene, and xylene—which are designated as hazardous air pollutants. *See*
15 42 U.S.C. § 7412(b). Many of these VOCs are associated with serious short-term
16 and long-term effects to the respiratory, nervous, and circulatory systems.
17 Additionally, VOCs create ground-level ozone, or smog, which can contribute to
18 asthma, premature death, stroke, heart attack, and low birth weight. Benzene is also
19 a known carcinogen and has been detected in people living within a 10-mile radius
20 of oil wells where fracking has occurred.

21 73. Oil and gas drilling also includes the discharge of drilling muds and
22 cuttings, produced wastewater, and well treatment and workover fluids. The
23 federal government permits Platforms Harmony, Heritage, and Hondo to discharge
24 more than 33.76 million gallons of produced wastewater into the ocean each year.

1 These discharges can contain toxic chemicals like benzene, heavy metals, and
2 radioactive materials.

3 74. Prolonged drilling at the Santa Ynez Unit also increases vessel traffic
4 through, for example, the servicing of platforms and wells and transporting
5 materials. This increases the risk of vessel strikes of various endangered animals,
6 including several species of whales found in the area. Vessel strikes can kill or
7 injure large whales and other animals by causing blunt force trauma, resulting in
8 fractures, hemorrhage, and/or blood clots. Direct propeller strikes can result in fatal
9 blood loss, lacerations, and/or amputations. Vessel collisions are a leading threat to
10 large whales off the U.S. West Coast.

11 75. Oil and gas drilling exacerbates climate change, which is already
12 causing more intense storms, droughts, and wildfires; sea level rise; a higher risk of
13 extinction for many species; and numerous other harms. Scientists have determined
14 that each barrel of federal California oil left in the ground would equate to roughly
15 half a barrel reduction in net oil consumption, with associated reductions in
16 greenhouse gas emissions. Before it shut down in 2015, the onshore facility that
17 processed oil and gas from the Santa Ynez Unit was Santa Barbara County's
18 largest source of greenhouse gas emissions. It contributed 55 percent of Santa
19 Barbara County's total greenhouse gas emissions.

20 **BSEE's Lease Extensions Fail to Consider Relevant Factors**

21 76. On November 19, 2015, ExxonMobil sought its first request following
22 the Plains All American Pipeline spill for an extension under 30 C.F.R.
23 § 250.180(e) of all 16 of its oil and gas leases in the Santa Ynez Unit. BSEE
24 approved the lease extensions on December 10, 2015. ExxonMobil has applied for,

1 and BSEE has granted, lease extensions for its leases in the Santa Ynez Unit every
2 year since. ExxonMobil submitted its most recent application on October 19, 2023,
3 and BSEE granted it on November 14, 2023. The current approval expires at
4 midnight on December 31, 2024.

5 77. In granting the most recent extension in November 2023, BSEE
6 described the proposed action as “[p]er 30 CFR 250.180(e), ExxonMobil is
7 requesting an additional 365 days beyond the original 180 (and subsequent 365-
8 day extensions) afforded by 30 CFR 250.180(d) to resume operations on their
9 leases that have continued beyond their primary term.”

10 78. In granting the most recent extension in November 2023, as with the
11 extensions before it, BSEE determined that “approving ExxonMobil’s request is in
12 the National interest.” In reaching this conclusion, BSEE determined that “[t]he
13 continued development of these proven reserves from established infrastructure
14 would help meet the Nation’s energy needs without the impacts associated with
15 new infrastructure installations or exploration and development of unproven
16 fields.” It also asserted that “[c]ontinued production would likewise benefit
17 taxpayers through the continued revenue streams derived from production,
18 including royalties and direct and indirect tax revenue to the Federal Government.”

19 79. In determining that granting the extension would be in the national
20 interest, BSEE did not consider any of the environmental harms (described above)
21 that come with prolonging offshore oil and gas production off California. BSEE
22 did not consider any harms associated with the continued presence of and reliance
23 on aging infrastructure. BSEE also did not consider that ExxonMobil has
24 previously stated that it anticipates using well stimulation treatments to restart its

1 platforms in the Santa Ynez Unit.

2 80. In granting the most recent extension in November 2023, BSEE also
3 acknowledged that resumption of activities is possible, stating that if the ruptured
4 pipeline is replaced or its restart is approved before the lease extension expires,
5 “then ExxonMobil will have 60 calendar days ... to restore production from the
6 Santa Ynez Unit.”

7 81. In granting the most recent extension in November 2023, as with the
8 extensions before it, BSEE relied on a categorical exclusion under NEPA. As a
9 result, BSEE did not prepare either an EIS or an environmental assessment to
10 examine the environmental effects of its action extending the leases.

11 82. BSEE determined that no extraordinary circumstances exist that
12 would make reliance on the categorical exclusion improper.

13 83. BSEE concluded that there should be no impacts on public health or
14 safety as “there will be no active oil and gas operations during the approved
15 extension period.”

16 84. BSEE concluded that there should be no impacts on “natural
17 resources, unique geographic characteristics, or ecologically significant or critical
18 areas” because the extension would “allow active oil and gas operations to remain
19 idled during the approved extension period.” BSEE also stated it “will oversee
20 adherence to a preservation plan for safe and environmentally protective
21 maintenance and oversight.”

22 85. BSEE concluded that there are no controversial environmental effects
23 because the agency’s “action involves approving an extension of suspension of
24 operations during which active oil and gas operations will be idled and the

1 facilities maintained pursuant to preservation plans to ensure safety and
2 environmental protection.”

3 86. BSEE concluded that there would be no cumulatively significant
4 effects in the event production is ultimately restored because such effects “have
5 already been examined through prior NEPA analyses” and the extension
6 “represents a temporary suspension in those previously examined activities.”

7 87. BSEE concluded that the extension would have no significant impacts
8 on species listed under the Endangered Species Act and would not “limit access to
9 and ceremonial uses of Indian sacred sites on Federal lands.”

10 88. The available information indicates that there are numerous
11 significant environmental effects of BSEE’s extensions of the Santa Ynez Unit
12 leases. BSEE’s conclusion that there are no extraordinary circumstances is
13 incorrect and unsupported.

14 89. Prior to BSEE’s issuance of the November 2023 lease extensions, the
15 Center sent BSEE a letter, in February 2023, urging the agency to consider the
16 environmental harms from approving further lease extensions and conduct
17 comprehensive NEPA review. BSEE did not do so. It did not respond to the letter.

18 **CLAIMS FOR RELIEF**

19 **First Claim for Relief**

20 **Violation of OCSLA and the APA: Unlawful National Interest Determination**

21 90. Plaintiffs reallege and incorporate the allegations in Paragraphs 1
22 through 89 of this Complaint.

23 91. OCSLA requires that offshore oil and gas activity be “subject to
24 environmental safeguards” and balanced “with protection of the human, marine,

1 and coastal environments.” 43 U.S.C. §§ 1332(3), 1802(2).

2 92. OCSLA sets initial lease terms of five years, and leases last as long as
3 they are producing oil and gas in paying quantities. *Id.* § 1337(b)(2). Non-
4 producing leases are supposed to expire, and the oil and gas infrastructure used to
5 produce from those leases generally must be decommissioned within one year of
6 lease expiration. 30 C.F.R. §§ 250.180(a)(2), 250.1710, 250.1725(a).

7 93. If production ceases on a lease that has continued beyond its primary
8 term, the lease will expire unless production resumes or BSEE approves a
9 suspension of operations or production before the end of the year after production
10 ceases. *Id.* § 250.180(d). BSEE can also allow an operator more than a year to
11 resume operations, but only when BSEE determines that “the longer period is in
12 the National interest, and it conserves resources, prevents waste, or protects
13 correlative rights.” *Id.* § 250.180(e).

14 94. BSEE’s November 2023 determination that the lease extensions for
15 the Santa Ynez Unit are in the national interest failed to consider relevant factors.
16 BSEE looked only at the purported benefits of issuing the lease extensions so that
17 ExxonMobil could resume production without considering any of the
18 environmental harms from doing so. BSEE did not consider, for example, the risks
19 of oil spills from aging infrastructure, the future use of well stimulations at the
20 Santa Ynez Unit, or the climate impacts that would result from restarting drilling
21 operations at the Santa Ynez Unit.

22 95. BSEE’s November 2023 issuance of the lease extensions for the Santa
23 Ynez Unit violates OCSLA and its implementing regulations, and is “arbitrary,
24 capricious, an abuse of discretion, or otherwise not in accordance with law” under

1 the APA. 5 U.S.C. §706(2)(A).

2 **Second Claim for Relief**

3 **Violation of NEPA and the APA: Unlawful Use of Categorical Exclusion**

4 96. Plaintiffs reallege and incorporate the allegations in Paragraphs 1
5 through 89 of this Complaint.

6 97. NEPA requires all federal agencies, including BSEE, to take a “hard
7 look” at the direct, indirect, and cumulative effects of proposed major federal
8 actions and at alternatives that could reduce or eliminate those environmental
9 impacts. 42 U.S.C. § 4332(2)(C)(i)–(iii); 40 C.F.R. § 1502.16. An agency can take
10 the requisite hard look at a major federal action by preparing an environmental
11 assessment or an EIS. 42 U.S.C. § 4332(2)(C); 40 C.F.R. § 1501.5.

12 98. BSEE’s approval of extensions for the offshore oil and gas leases in
13 the Santa Ynez Unit constitutes a major federal action.

14 99. Yet, in approving the extensions in November 2023, BSEE failed to
15 take a hard look at the environmental effects of extending these federal offshore oil
16 and gas leases. BSEE did not prepare an EIS or environmental assessment on the
17 lease extensions. Instead, BSEE relied on a categorical exclusion. In doing so,
18 BSEE failed to consider the direct, indirect, and cumulative effects of the lease
19 extensions and failed to consider a reasonable range of alternative to its action.

20 100. BSEE’s reliance on a categorical exclusion in issuing the November
21 2023 lease extensions for the Santa Ynez Unit is arbitrary and violates NEPA.
22 BSEE failed to consider important aspects of the action. BSEE failed to consider
23 the significant environmental impacts of leaving non-producing infrastructure in
24 place; and of oil spills, water pollution, air pollution, and other harms associated

1 with prolonging offshore drilling from aging infrastructure.

2 101. BSEE failed to consider relevant factors and reached conclusions
3 contrary to the evidence before the agency in determining no extraordinary
4 circumstances apply. As one example, BSEE determined that “[a]ny cumulative
5 effects from ongoing future production, in the event that production is ultimately
6 restored, have already been examined through prior NEPA analyses.” But BSEE
7 has never examined the cumulative effects of oil and gas production activities off
8 California. As another example, BSEE determined there would be no adverse
9 impacts to public health, ecologically critical areas, cultural resources, access to
10 sacred sites, or endangered and threatened species because oil and gas activity
11 would be idle during the extension period. But BSEE acknowledged in approving
12 the lease extension that production could resume during the extension period.

13 102. BSEE’s consideration of the impacts to public health, ecologically
14 critical areas, cultural resources, access to sacred sites, threatened and endangered
15 species, and other factors in its extraordinary circumstances review looked only at
16 the potential impacts during the suspension of operations—not the impacts of
17 active oil and gas production. In contrast, both ExxonMobil’s lease extension
18 applications and BSEE’s national interest determination only considered and relied
19 on the purported benefits of production.

20 103. BSEE’s reliance on a categorical exclusion to approve the November
21 2023 lease extensions and its extraordinary circumstances review violate NEPA, its
22 implementing regulations, and is “arbitrary, capricious, an abuse of discretion, or
23 otherwise not in accordance with law” under the APA. 5 U.S.C. §706(2)(A).
24 BSEE’s failure to prepare an EIS or environmental assessment on the lease

1 extensions violates NEPA, its implementing regulations, and is “arbitrary,
2 capricious, an abuse of discretion, or otherwise not in accordance with law” and
3 made “without observance of procedure required by law” under the APA. *Id.*
4 § 706(2)(A), (D).

5 **REQUEST FOR RELIEF**

6 Plaintiffs respectfully request that the Court grant the following relief:

- 7 1. Declare that BSEE’s November 2023 approval of lease extensions for the
8 Santa Ynez Unit violates OCSLA, its implementing regulations, and the APA;
- 9 2. Declare that BSEE’s November 2023 approval of lease extensions for the
10 Santa Ynez Unit violate NEPA, its implementing regulations, and the APA;
- 11 3. Vacate and remand the November 2023 lease extensions for the Santa
12 Ynez Unit;
- 13 4. Prohibit BSEE from authorizing additional lease extensions for the Santa
14 Ynez Unit unless and until it complies with OCSLA, NEPA, and the APA;
- 15 5. Award Plaintiffs their costs of this action, including reasonable attorneys’
16 fees; and
- 17 6. Grant such other relief as this Court deems just and proper.

18 Respectfully submitted this 27th day of June 2024,
19

20 /s/ Kristen Monsell

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